



Washington Sea Grant Program
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November 8, 2006

Chairman Mike Cooper
Washington State Oil Spill Advisory Council
Office of the Governor
Olympia, WA 985101

Dear Chairman Cooper and Council Members:

Washington Sea Grant sincerely appreciates the decision by the Washington State Oil Spill Advisory Council (Council) to defer action on a recommendation to eliminate our small oil spill prevention education program. We are in receipt of your letter October 26 requesting additional information. This letter responds to each of those questions.

1. Approximately how much administrative overhead does WSG have presently?

We understand that the primary basis for the Council's initial interest in transferring the Sea Grant program was the misunderstanding that the University of Washington charged a 40% overhead rate for the program. Not only was this information incorrect, but for more than a decade the University has charged no overhead at all on the program. There is no overhead currently being charged by the University to this program.

2. If the program does not currently have any administrative overhead, does WSG anticipate any in the next biennium?

For the upcoming year, the University had requested a 15% overhead rate. However, the Council's concerns have been conveyed to Dr. Arthur Nowell, Dean of the College of Ocean and Fishery Sciences, and he in turn has made a formal request to the university leadership to maintain the current overhead exemption. While no final decision has been reached, our past success in ensuring that all the funds we receive for this program are directed to oil spill prevention and outreach, should provide some reassurance to the Council.

3. How are funds derived from this tax currently spent?

The final report of the Council provides a thorough and compelling rationale for the continuation of Washington Sea Grant's efforts. The document discusses the environmental threat posed by small oil spills pointing out the possibility of "hundreds, if not thousands of smaller spills at marinas" and other venues not reported to the Department of Ecology. It goes on to state that

such spill incidents “cumulatively might pose a significant risk.” We completely agree with the Council’s assessment. Eliminating these spills and directing outreach and education efforts to comprehensively target spill-prone marine operators are at the very core of our spill prevention program. We work to ensure that it reaches a wider audience by coupling it with other outreach programs for audiences such as commercial fishermen, marina operators, and shellfish aquaculture. This comprehensive approach has raised questions about the Sea Grant small oil spill budget (derived from barrel tax money) being used for other Sea Grant activities. However, we can assure the Council that the funds we receive from the state’s Oil Spill Administration Account are fully committed to our oil spill education efforts.

The budget for the current biennium (2005-07) as it appears in the current contract with Department of Ecology is as follows:

Small Oil Spill Prevention Education Budget
July 1, 2005 – June 30, 2007

Salaries	\$115,500
Services	8,884
Travel	9,500
Supplies	5,500
Benefits	27,720
Equipment	<u>2,896</u>
TOTAL	\$170,000

4. Can you provide us with an accounting showing exactly on what activities these funds were spent?

Enclosed are two documents that show the activities the Washington Sea Grant small oil spill education specialist has undertaken or plans for the current biennium. Attachment 1 is from the 2005-2007 Work Plan of the Puget Sound Action Team. Attachment 2 is a detailed summary of activities for the period from March 1, 2005 through August 31, 2006.

5. Is the current level of funding adequate for WSG’s legislatively mandated responsibilities?

Washington Sea Grant has conducted a very effective oil spill prevention education program that has consistently addressed the causes and reached the target audiences identified in the legislation. These spill prevention efforts, while successful, will always be constrained by limited funding.

We currently are requesting a an additional \$55,000 in the 2007-2009 budget of the Puget Sound Action Team that will be used, in large part, to cover costs lost to inflation over the past decade of level funding. The increase will ensure continuation and expansion of proven outreach approaches. The budget also requests \$150,000 to conduct a study quantifying the problem small oil spills present to Puget Sound waters.

6. How will WSG spend its funds in the next biennium?

Enclosed are two documents that illustrate spending plans for the next biennium. Attachment 3 is from the 2007-2009 Work Plan of the Puget Sound Action Team. This attachment also summarizes plans for a study that we have proposed to quantify small oil spills. Attachment 4 is the Washington Sea Grant oil spill prevention specialist's work plan for 2006-2007 and features several activities that will necessarily carry forward to the 2007-2009 Work Plan.

At the September 15 Council meeting, Chairman Cooper remarked that the quality and impact of our program was not in question, only the University's "40% overhead rate." Given the current effectiveness of our outreach and education program and our current overhead charge of 0%, we respectfully request that the Chairman and Council drop the recommendation to transfer the work and funding from Washington Sea Grant. We would be more than happy to meet with you to discuss any remaining issues and plan to attend the November 17 Council meeting.

Thank you for your consideration and for the commitment and invaluable service of the Council to strengthening and enhancing oil spill prevention efforts throughout Washington State. Please do not hesitate to call if you have questions or require any additional information.

Sincerely,

A handwritten signature in cursive script that reads "Penelope Dalton".

Penelope Dalton
Director